



AGENDA BILL APPROVAL FORM

Agenda Subject: Ordinance No. 6224		Date: January 20, 2009
Department: Finance	Attachments: Ordinance No. 6224, Exhibit "A", Exhibit "B", Exhibit "C", and Exhibit "D".	Budget Impact:
Administrative Recommendation: City Council to introduce and adopt Ordinance No. 6224.		
Background Summary: An Ordinance of the City Council authorizing the execution of an interlocal agreement relating to the South Correctional Entity Facility and the formation of the South Correctional Entity Public Development Authority. N0120-1 O1.7.1		
Reviewed by Council & Committees: <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Arts Commission <input type="checkbox"/> Airport <input type="checkbox"/> Hearing Examiner <input type="checkbox"/> Human Services <input type="checkbox"/> Park Board <input type="checkbox"/> Planning Comm. </div> <div style="width: 45%;"> COUNCIL COMMITTEES: <input checked="" type="checkbox"/> Finance <input checked="" type="checkbox"/> Municipal Serv. <input checked="" type="checkbox"/> Planning & CD <input checked="" type="checkbox"/> Public Works <input type="checkbox"/> Other _____ </div> </div>		Reviewed by Departments & Divisions: <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input type="checkbox"/> Building <input type="checkbox"/> Cemetery <input checked="" type="checkbox"/> Finance <input type="checkbox"/> Fire <input type="checkbox"/> Legal <input type="checkbox"/> Public Works <input type="checkbox"/> Information Services </div> <div style="width: 45%;"> <input type="checkbox"/> M&O <input type="checkbox"/> Mayor <input type="checkbox"/> Parks <input type="checkbox"/> Planning <input type="checkbox"/> Police <input type="checkbox"/> Human Resources </div> </div>
Action: Committee Approval: <input type="checkbox"/> Yes <input type="checkbox"/> No Council Approval: <input type="checkbox"/> Yes <input type="checkbox"/> No Referred to _____ Until ____/____/____ Tabled _____ Until ____/____/____ <div style="text-align: right;">Call for Public Hearing ____/____/____</div>		
Councilmember: Cerino		Staff: Coleman
Meeting Date: January 12, 2009		Item Number: VIII.A.2

ORDINANCE NO. 6 2 2 4

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY
OF AUBURN, AUTHORIZING THE EXECUTION OF AN
INTERLOCAL AGREEMENT RELATING TO THE SOUTH
CORRECTIONAL ENTITY FACILITY AND THE
FORMATION OF THE SOUTH CORRECTIONAL ENTITY
FACILITY PUBLIC DEVELOPMENT AUTHORITY

WHEREAS, the City of Auburn, Washington (the "City") is authorized by chapter 70.48 RCW to contract for, establish and maintain correctional facilities in furtherance of public safety and welfare; and

WHEREAS, the City currently contracts with other local governments within the State of Washington for correctional services at a great expense to the City; and

WHEREAS, chapter 39.34 RCW, the Interlocal Cooperation Act, authorizes municipalities in Washington to enter into agreements for the joint undertaking of certain projects as provided therein; and

WHEREAS, the cities of Federal Way, Des Moines, Renton, Tukwila, Burien, SeaTac, Washington the City of Auburn (the "Member Cities") recognize and find that there is a public need for a new correctional facility to serve the south King County region and to provide correctional services at a lower total cost to the participating Member Cities than currently available alternatives or than the participating Member Cities could individually provide; and

WHEREAS, the Member Cities now desire to enter into an interlocal agreement the "Interlocal Agreement") to form a governmental administrative agency known as the South Correctional Entity ("SCORE") to establish and maintain a consolidated

correctional facility (the "SCORE Facility") to serve the Member Cities and federal and state agencies and other local governments that may contract with SCORE in the future to provide correctional services essential to the preservation of the public health, safety and welfare; and

WHEREAS, the Member Cities are considering the formation of a public Corporation for the purpose of issuing and servicing bonds that are secured by the full faith and credit of the Member Cities in order to provide for the financing of the SCORE Facility; and

WHEREAS, the City of Renton, Washington, has agreed to act as the host City for the formation of the public corporation, subject to the approval of each Member City; and

WHEREAS, the establishment and maintenance of the SCORE Facility will be of substantial benefit to the Member Cities and the public in general.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF AUBURN, WASHINGTON DOES ORDAIN AS FOLLOWS:

Section 1. Approval of Interlocal Agreement. The Mayor of the City is hereby authorized to execute the interlocal agreement with the cities of Renton, Federal Way, Des Moines, Tukwila, Burien, SeaTac, Washington, substantially in the form as attached hereto as Exhibit A and incorporated herein by this reference (the "Interlocal Agreement"), for the creation of a governmental administrative agency pursuant to RCW 39.34.030(3) to be known as the South Correctional Entity ("SCORE"). The Mayor is hereby designated as the "Designated Representative" of the City for purposes of the Interlocal Agreement. The Mayor and other appropriate officers of the City are

authorized and directed to take any and all such additional actions as may be necessary or desirable to accomplish the creation of SCORE.

Section 2. Approval of Formation of the Authority. Pursuant to Chapter 39.34 RCW and RCW 35.21.730 through RCW 35.21.755, the City hereby approves the creation of a public corporation by the City of Renton to be designated as the South Correctional Entity Facility Public Development Authority (the "Authority"). The purpose of the Authority is to provide an independent legal entity under State law to issue obligations to finance and refinance the acquisition, construction, improvement and equipping of a correctional facility (the "SCORE Facility"). Such obligations may be issued in one or more series, may be in the form of bonds, notes or other evidences of indebtedness to provide interim and permanent financing for the SCORE Facility and thereafter, to finance or refinance equipment, completion, expansion and other capital improvements essential to maintain the SCORE Facility's functionality. Such bonds, notes, and other evidences of borrowing are collectively referred to herein as the "Bonds." The proposed form of ordinance to be considered by the City Council of the City of Renton, along with the Charter and the Bylaws of the Authority, drafts of which are attached hereto, as Exhibits B, C and D, respectively, are hereby approved. The City Council hereby approves the formation by the City of Renton of the Authority by the approval of such ordinance, Charter and Bylaws substantially in the forms presented to this Council.

Section 3. Limited Liability; Independent Obligations. The Authority shall be an independent legal entity exclusively responsible for its own debts, obligations and liabilities. All liabilities incurred by the Authority shall be satisfied exclusively from the

assets and credit of the Authority. No creditor or other person shall have any recourse to the assets, credit, or services of the City on account of any debts, obligations, liabilities, acts, or omissions of the Authority.

Section 4. City Contributions to Operations and Bonds. The City shall pay its allocable portion of the budgeted expenses of maintenance and operation of the SCORE Facility not paid from other sources, which allocable portion shall be determined as provided in the Interlocal Agreement. In addition to the foregoing commitment, the City irrevocably commits to pay its capital contribution in the percentage provided for in the Interlocal Agreement, which is equal to 29%, to pay debt service on Bonds as the same shall become due and payable and to pay administrative expenses of the Authority with respect to the Bonds (the "Capital Contribution"). The authorization contained in this ordinance is conditioned upon the issuance of Bonds not exceeding the aggregate principal amount of \$100,000,000 (not including any bonds or notes to be refunded with proceeds of such Bonds) without obtaining additional Council approval.

The City recognizes that it is not obligated to pay the Capital Contribution of any other Member City; the Capital Contribution of the City shall be limited to its 29% allocable share of such obligations; all such payments shall be made by the City without regard to the payment or lack thereof by any other jurisdiction; and the City shall be obligated to budget for and pay its Capital Contribution unless relieved of such payment in accordance with the Interlocal Agreement. All payments with respect to the Bonds shall be made to SCORE in its capacity as administrator and servicer of the Bonds to be issued by the Authority. The City's obligation to pay its Capital Contribution shall be an

irrevocable full faith and credit obligation of the City, payable from property taxes levied within the constitutional and statutory authority provided without a vote of the electors of the City on all of the taxable property within the City and other sources of revenues available therefor. The City hereby obligates itself and commits to budget for and pay its Capital Contribution and to set aside and include in its calculation of outstanding nonvoted general obligation indebtedness an amount equal to the principal component of its Capital Contribution for so long as any Bonds issued by the Authority remain outstanding.

Section 5. Preliminary Costs; Reimbursement. The City is hereby authorized to finance costs associated with the design, acquisition, construction, improvement and equipping of the SCORE Facility prior to the issuance of Bonds by the Authority pursuant to the terms of the Interlocal Agreement. Pursuant to U.S. Treasury Regulation Section 1.150-2(e), the City reasonably expects to be reimbursed for such expenditures with proceeds of Bonds issued by the Authority. The maximum principal amount of Bonds expected to be issued for the SCORE Facility described in Section 2 is \$100,000,000.

Section 6. **Effective Date.** This ordinance shall take effect and be in force from and after passage and publication as provided by law.

INTRODUCED: _____

PASSED: _____

APPROVED: _____

PETER B. LEWIS
MAYOR

ATTEST:

Danielle E. Daskam,
City Clerk

APPROVED AS TO FORM:



Daniel B. Held,
City Attorney

PUBLISHED: _____

EXHIBIT A

**Form of Interlocal Agreement
(attached)**

SCORE INTERLOCAL AGREEMENT

among

CITY OF AUBURN,

CITY OF DES MOINES,

CITY OF FEDERAL WAY,

CITY OF RENTON,

CITY OF TUKWILA,

CITY OF BURIEEN,

AND

CITY OF SEATAC, WASHINGTON

Dated as of _____, 2009

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SCORE INTERLOCAL AGREEMENT

THIS SCORE INTERLOCAL AGREEMENT ("Agreement") is entered into this _____, 2009 by and among the Cities of Auburn, Des Moines, Federal Way, Renton, Tukwila, Burien and SeaTac, Washington (the "Member Cities"), all of which are municipal corporations under the laws and statutes of the State of Washington:

RECITALS:

WHEREAS, the Member Cities are authorized by chapter 70.48 RCW to contract for, establish and maintain correctional facilities in furtherance of public safety and welfare; and

WHEREAS, the Member Cities currently contract with other local governments within the State of Washington for correctional services at a great expense to the City; and

WHEREAS, chapter 39.34 RCW, the Interlocal Cooperation Act, authorizes municipalities in Washington to enter into agreements for the joint undertaking of certain projects as provided therein; and

WHEREAS, the Member Cities now desire to form a governmental administrative agency pursuant to RCW 39.34.030(3) known as the South Correctional Entity ("SCORE") to establish and maintain a consolidated correctional facility (the "SCORE Facility") to serve the Member Cities and federal and state agencies and other local governments that may contract with SCORE in the future to provide correctional services essential to the preservation of the public health, safety and welfare; and

WHEREAS, the Member Cities have determined that the SCORE Facility will provide improved correctional facilities within the boundaries of the consolidated service areas at a lower total cost to the participating Member Cities than currently available alternatives or than the participating Member Cities could individually provide; and

WHEREAS, financing for the acquisition, construction, equipping, and improvement of the SCORE Facility will be provided by bonds issued by a public corporation created in accordance with this Agreement and pursuant to RCW 35.21.730 through 35.21.755 and secured by the full faith and credit of the Member Cities; and

WHEREAS, the City of Renton has agreed to act as the host city for the formation of a public corporation to be known as the South Correctional Entity Facility Public Development Authority (the "SCORE Facility Public Development Authority") subject to the approval of each Member City; and

WHEREAS, the establishment and maintenance of the SCORE Facility will be of substantial benefit to the Member Cities and the public in general;

NOW THEREFORE, it is hereby agreed and covenanted among the undersigned as follows:

Section 1. Definitions. Capitalized terms used in this Agreement shall have the following meanings:

“Administrative Board” means the governing board of SCORE created pursuant to Section 5 of this Agreement.

“Agreement” means this Interlocal Agreement among the Member Cities, as amended from time to time.

“Base Percentage” means a percentage equal to the 2007 average daily population allocable to the Member Cities in all correctional facilities. Those percentages are as follows:

- (a) Auburn – twenty-nine (29%)
- (b) Des Moines – five (5%)
- (c) Federal Way – seventeen (17%)
- (d) Renton - thirty-four (34%)
- (e) Tukwila – eight (8%)
- (f) Burien – four (4%)
- (g) SeaTac – three (3%)

“Bonds” mean, collectively, bonds, notes or other evidences of borrowing issued by the SCORE Facility Public Development Authority to provide interim and permanent financing for the SCORE Facility and thereafter, to finance or refinance equipment, completion, expansion and other capital improvements essential to maintain the SCORE Facility’s functionality.

“Budget” means the budget prepared by the Facility Director in consultation with the Operations Board, and submitted to the Administration Board for its approval in accordance with Section 5 and Section 9 of this Agreement, which budget shall set forth (a) an estimate of the costs of capital improvements required to be made to the SCORE Facility within the applicable year, (b) on a line item basis, all anticipated revenues and expenses for the operation and maintenance of the SCORE Facility for the applicable year, and (c) any information required by policies adopted by the Administrative Board pursuant to Section 9(b) of this Agreement.

“Capital Contribution” means, for each Member City, that Member City’s Base Percentage multiplied by the principal of and interest on Bonds as the same shall become due and payable and administrative expenses of the SCORE Facility Public Development Authority with respect to Bonds.

“Costs of Maintenance and Operation” means all reasonable expenses incurred by SCORE in causing the SCORE Facility to be operated and maintained in good repair, working order and condition, and all costs of administering SCORE.

“Designated Representative” means the Mayor or the City Manager, as selected by each Member City, or his or her designee.

“Facility Director” means the director of the SCORE Facility selected by the Administrative Board pursuant to Section 7 of this Agreement.

“Member Cities” mean, initially, the Cities of Auburn, Des Moines, Federal Way, Renton, Tukwila, Burien and SeaTac, Washington.

“Operations Board” means the board formed pursuant to Section 6 of this Agreement.

“Presiding Officer” means the member of the Administrative Board selected pursuant to Section 5 of this Agreement.

“SCORE” means the governmental administrative agency established pursuant to RCW 39.34.030(3) and this Agreement by the Member Cities.

“SCORE Facility” means the consolidated correctional facility acquired, constructed, improved, equipped, maintained and operated by SCORE.

“SCORE Facility Public Development Authority” means the South Correctional Entity Facility Public Development Authority chartered by the City of Renton, Washington.

“Subscribing Agencies” mean the federal and state agencies, municipal corporations, and other local governments, other than the Member Cities, that contract with SCORE for correctional services at the SCORE Facility pursuant to the terms of this Agreement.

Section 2. SCORE Facility; Authority.

(a) **Administrative Agency.** There is hereby established a governmental administrative agency pursuant to RCW 39.34.030(3) to be known as the South Correctional Entity (“SCORE”). SCORE shall initially consist of the Member Cities.

(b) **Powers of SCORE.** SCORE shall have the power to acquire, construct, own, operate, maintain, equip, and improve a correctional facility known as the “SCORE Facility” and to provide correctional services and functions incidental thereto, for the purpose of detaining arrestees and sentenced offenders in the furtherance of public safety and emergencies within the jurisdiction of the Member Cities. The SCORE Facility may serve Subscribing Agencies which are in need of correctional facilities. Any agreement with a Subscribing Agency shall be in writing and approved by SCORE as provided herein.

(c) **Administrative Board.** The affairs of SCORE shall be governed by the Administrative Board formed pursuant to Section 5 of this Agreement. The Administrative Board shall have the authority to:

1. Recommend action to the legislative bodies of the Member Cities;
2. Approve the Budget, adopt financial policies and approve expenditures;

3. Establish policies for investing funds and incurring expenditures of Budget items for the SCORE Facility;
4. Review and adopt a personnel policy for the SCORE Facility;
5. Establish a fund, or special funds, as authorized by chapter 39.34 RCW for the operation of the SCORE Facility;
6. Conduct regular meetings as may be designated by the Administrative Board;
7. Determine what services shall be offered at the SCORE Facility pursuant to the powers of SCORE and under what terms they shall be offered;
8. Enter into agreements with third parties for goods and services necessary to fully implement the purposes of this Agreement;
9. Establish rates for services provided to members, subscribers or participating agencies;
10. Direct and supervise the activities of the Operations Board and the Facility Director;
11. Enter into an agreement with a public corporation or otherwise to incur debt;
12. Make purchases or contract for services necessary to fully implement the purposes of this Agreement;
13. Enter into agreements with and receive and distribute funds from any federal, state or local agencies;
14. Receive and account for all funds allocated to the SCORE Facility from its members;
15. Purchase, take, receive, lease, take by gift, or otherwise acquire, own, hold, improve, use and otherwise deal in and with real or personal property, or any interest therein, in the name of the SCORE Facility;
16. Sell, convey, mortgage, pledge, lease, exchange, transfer and otherwise dispose of property and assets;
17. Sue and be sued, complain and defend, in all courts of competent jurisdiction in its name;
18. Make and alter bylaws for the administration and regulation of its affairs;
19. Enter into contracts with Subscribing Agencies to provide correctional services;

20. Employ employees as necessary to accomplish the terms of this Agreement;
21. Establish policies and procedures for adding new cities as "Member Cities" to this Agreement; and
22. Engage in any and all other acts necessary to further the goals of this Agreement.

Section 3. Duration of Agreement.

The initial duration of this Agreement shall be for a period of ten (10) years from its effective date and, thereafter, shall automatically extend for additional five (5) year periods unless terminated as provided in this Agreement. Notwithstanding the foregoing, this Agreement shall not terminate until all Bonds issued by the SCORE Facility Public Development Authority as provide in Section 15 of this Agreement are no longer outstanding.

Section 4. Withdrawal and Termination.

(a) Subject to Section 4(g) below, any Member City may withdraw its membership and terminate its participation in this Agreement by providing written notice and serving that notice on the other Member Cities on or before December 31 in any one-year. After providing appropriate notice as provided in this Section, that Member City's membership withdrawal shall become effective on the last day of the year following delivery and service of appropriate notice to all other Member Cities.

(b) Subject to Section 3 above, four (4) or more Member Cities may, at any one time, by written notice provided to all Member Cities, call for a termination of SCORE and this Agreement. Upon an affirmative supermajority vote (majority plus one) by the Administrative Board, SCORE shall be directed to terminate business, and a date will be set for final termination, which shall be at least one (1) year from the date of the vote to terminate this Agreement. Upon the final termination date, this Agreement shall be fully terminated.

(c) Subject to Section 4(g) below, in the event any Member City fails to budget or provide the required annual funding requirements for SCORE as provided in Section 15 hereof, the remaining Member Cities may, by majority vote, immediately declare the underfunding City to be terminated from this Agreement and to have forfeited all its rights under this Agreement as provided in Section 4(e). The remaining Member Cities may, at their option, withdraw SCORE's correctional services from that City, or alternatively, enter into a Subscribing Agency agreement with that City under terms and conditions as the remaining Member Cities deem appropriate.

(d) Time is of the essence in giving any termination notice.

(e) If an individual Member City withdraws its membership in SCORE, the withdrawing City will forfeit any and all rights it may have to SCORE's real or personal

property, or any other ownership in SCORE, unless otherwise provided by the Administrative Board.

(f) Upon termination of this Agreement, all property acquired during the life of this Agreement shall be disposed of in the following manner:

1. All real and personal property acquired pursuant to this Agreement shall be distributed to the Member Cities based on the Base Percentages; and
2. All unexpected funds or reserve funds shall be distributed based on the percentage of average daily population at the SCORE Facility for the last three (3) years prior to the termination date of those Member Cities still existing on the day prior to the termination date.

(g) Notwithstanding any of the other rights, duties or obligations of any Member City under this Section 4, the withdrawal of any Member City from this Agreement shall not discharge or relieve the Member City that has withdrawn pursuant to Section 4(a) or been terminated pursuant to Section 4(c) of its obligation to pay debt service on Bonds issued by the SCORE Facility Public Development Authority. A Member City may be relieved of its obligation under this Agreement to make payments with respect to its Capital Contribution if the Administrative Board, by supermajority vote (majority plus one), authorizes such relief based on a finding that such payments are not required to pay debt service on Bonds issued by the SCORE Facility Public Development Authority.

Section 5. Administrative Board.

(a) Formation. An Administrative Board composed of the Designated Representative from each Member City shall govern the affairs of SCORE.

(b) Allocation of Votes. Each Board member shall have an equal vote and voice in all Board decisions.

(c) Voting Requirements. Votes regarding (1) debt; (2) approval of the Budget; (3) employment of the Facilities Director; (4) cost allocations made prior to the issuance of Bonds pursuant to Section 16 of this Agreement; and (5) approval of labor contracts, shall require an affirmative vote of a supermajority (majority plus one) of the Member Cities, two (2) of which shall have the highest and the second highest average daily population in the SCORE Facility for the 12-month period ending June 30 of the preceding year. Votes regarding (1) the conveyance of real property; (2) the addition of additional services pursuant to Section 11 of this Agreement not directly incidental to correctional services (such as providing court services); and (3) matters addressed in Sections 4(b) and (g) of this Agreement, shall require an affirmative vote of a supermajority (majority plus one) of the Member Cities.

(d) Parliamentary Authority. Unless otherwise provided, Robert's Revised Rules of Order (newly revised) shall govern all procedural matters relating to the business of the Administrative Board.

(e) Officers of the Administrative Board. Members of the Administrative Board shall select a Presiding Officer from its members, together with such other officers as a majority of the Administrative Board may determine. Subject to the control of the Administrative Board, the Presiding Officer shall have general supervision, direction and control of the business and affairs of SCORE. On matters decided by the Administrative Board, the signature of the Presiding Officer alone is sufficient to bind SCORE.

(f) Meetings of the Administrative Board. There shall be a minimum of two (2) meetings each year, and not less than fifteen (15) days notice shall be given to all members prior to any such meeting. Unless otherwise designated by the Presiding Officer, the first meeting shall be held on the second Tuesday of February of each year to review the prior year's service. The second meeting shall be on the second Tuesday of September of each year to consider and adopt a Budget for the following fiscal year. Other meetings may be held upon request of the Presiding Officer or any two members. All meetings shall be open to the public to the extent required by chapter 42.30 RCW.

Five (5) members of the Administrative Board must be present at any meeting of the Administrative Board to comprise a quorum, and for the Administrative Board to transact any business. Proxy voting shall not be allowed. Members of the Administrative Board may participate in a meeting through the use of any means of communication by which all members and members of the public participating in such meeting can hear each other during the meeting. Any members of the Administrative Board participating in a meeting by such means is deemed to be present in person at the meeting for all purposes including, but not limited to, establishing a quorum.

(g) Bylaws. The Administrative Board shall be authorized to establish bylaws that govern procedures of that Board and the SCORE Facility's general operations.

(h) Administrative Board Review. A general or particular authorization or review and concurrence of the Administrative Board by majority vote shall be necessary for all capital expenditures or contracts in excess of \$50,000.

Section 6. Operations Board.

(a) Formation. There is further established an Operations Board which shall consist of up to nine (9) members selected as provided in this paragraph. One (1) member shall be designated by each of the Member Cities, and up to two (2) at-large members shall be selected, by majority vote, by the Subscribing Agencies to represent the police departments of the Subscribing Agencies. At the time set for election of the at-large members, only the representatives of the Subscribing Agencies, then in attendance, will participate in the election. The Member Cities' Operations Board representatives shall not participate in the at-large member elections. The at-large members shall serve one-year terms, unless otherwise determined by majority vote of the Operations Board. The purpose and duties of the Operations Board shall be established by the Administrative Board.

(b) Voting and Meetings of the Operations Board. Each member of the Operations Board shall have an equal vote in all Operations Board decisions. The Operations Board shall be authorized to establish bylaws that govern its procedures. Unless otherwise provided, Robert's Revised Rules of Order shall govern all procedural matters relating to the business of the Operations Board. The Operations Board shall elect a presiding officer from its members and shall likewise determine the time and place of its meetings; at least one (1) regular meeting shall be held each month at a time and place designated by the presiding officer or a majority of its members. Special meetings may be called by the presiding officer or any two (2) members upon giving all other members not less than 24 hours prior written notice (electronic or facsimile notice acceptable). In an emergency, the Operations Board may dispense with written notice requirements for special meetings, but must, in good faith, implement best efforts to provide fair and reasonable notice to all of the members of the Operations Board. All meetings shall be open to the public to the extent required by chapter 42.30 RCW.

A majority of the members of the Operations Board must be present at any meeting of the Operations Board to comprise a quorum, and for the Operations Board to transact any business. Proxy voting shall not be allowed. Members of the Operations Board may participate in a meeting through the use of any means of communication by which all members and members of the public participating in such meeting can hear each other during the meeting. Any members of the Operations Board participating in a meeting by such means is deemed to be present in person at the meeting for all purposes including, but not limited to, establishing a quorum.

Section 7. Facility Director.

Not later than one hundred eighty (180) days prior to the completion of the SCORE Facility, the Operations Board shall recommend to the Administrative Board a person to act as the Facility Director. The Administrative Board may accept or reject the Operations Board recommendation. Such Facility Director shall be responsible to the Administrative Board, shall develop the Budget in consultation with the Operations Board and other appropriate means in order to fully implement the purposes of this Agreement. The Facility Director shall administer the program in its day-to-day operations consistent with the policies adopted by the Administrative Board. Such Facility Director shall have experience in technical, financial and administrative fields, and such appointment shall be on the basis of merit only.

Section 8. Personnel Policy.

(a) The Operations Board shall submit to the Administrative Board within one hundred eighty (180) days prior to the completion of the SCORE Facility, a proposed personnel policy for the SCORE Facility for its approval, rejection or modification. All of such modifications or revisions shall be subject to the final approval of the Administrative Board.

(b) Such personnel policy shall provide for the initial appointment to the SCORE Facility's staff from the personnel presently, permanently appointed or assigned as corrections officers in the Member Cities. Additional employees shall be appointed by the Facility Director upon meeting the qualifications established by the Operations Board and adopted by the Administrative Board. None of such employees shall be commissioned members of any

emergency service, but may be eligible for membership under the Public Employees Retirement Systems (PERS), or Public Safety Employees Retirement System (PSERS), as provided by law.

Section 9. Budget, Policies and Operations.

(a) The Facility Director shall distribute a proposed Budget to the Operations Board on or before August 1 of each year, which Budget shall then be provided to the Administrative Board no later than September 1 of such year. Thereafter, the Member Cities shall be advised of the programs and objectives as contained in said proposed Budget, and of the required financial participation for the ensuing year.

(b) The Administrative Board shall develop financial policies for SCORE as part of the budgetary process. Such policies may include, but are not limited to, (1) items to be provided for in the Budget, (2) a minimum contribution amount for each Member City to pay for Costs of Maintenance and Operation, (3) the process for allocating unexpended amounts paid by the Member Cities for Costs of Operation and Maintenance and assessing the Member Cities in the event of cost overruns, (4) establishing and maintaining reserve accounts, if any, and (5) the process for adding a new Member City to this Agreement.

(c) The allocation of prorated financial participation among the Member Cities shall be calculated as provided in Section 15 hereof. Each Member City shall be unconditionally obligated to provide its allocable share of costs as provided in this Agreement.

Section 10. Contracts and Support Services.

(a) The Administrative Board (or the Operations Board or the Facility Director, if so designated by the Administrative Board) shall, as necessary, contract with local governments for the use of space for its operations, auxiliary services including but not limited to records, payroll, accounting, purchasing, and data processing, and for staff prior to the selection of a Facility Director for the SCORE Facility.

(b) The Member Cities hereby agree to furnish legal assistance, from time to time, as approved by the Administrative Board. The Administrative Board may contract with the City Attorney of a Member City, other local government, or independent legal counsel as necessary.

Section 11. Policy and System Evaluation.

The Facility Director shall actively and continually consider and evaluate all means and opportunities toward the enhancement of operations effectiveness for correctional services so as to provide maximum and ultimate benefits to the members of the general public. The Facility Director shall present his or her recommendations to the Operations Board from time to time. Any substantive change or deviation from established policy shall be subject to the prior approval of the Administrative Board.

Section 12. Additional Services Authorized.

The Administrative Board shall evaluate and determine the propriety of including additional correctional services for local governments, whenever so required, and shall determine the means of providing such services, together with its costs and effects. These additional services may include, but shall not be limited to the following: alternatives to incarceration, inmate transportation systems, and consolidated court services.

Section 13. Inventory and Property.

(a) Equipment and furnishings for the operation of the SCORE Facility shall be acquired by SCORE as provided by law. If any Member City furnishes equipment or furnishings for SCORE's use, title to the same shall remain with the respective local entity unless that equipment is acquired by SCORE.

(b) The Facility Director shall, at the time of preparing the proposed Budget for the ensuing year, submit to the Operations Board a complete inventory together with current valuations of all equipment and furnishings owned by, leased or temporarily assigned to SCORE. In case of dissolution of SCORE, such assigned or loaned items shall be returned to the lending governmental entity and all other items, including real property, or funds derived from the sale thereof, shall be distributed to Member Cities in accordance with Section 4(f) above.

(c) Title to real property purchased or otherwise acquired shall be held in the name of SCORE; provided however, that for valuable consideration received, SCORE may convey ownership of any real property as may be approved by supermajority vote (majority plus one) of the Administrative Board.

Section 14. Local Control.

Each Member City and Subscribing Agency shall retain the responsibility and authority for the operation of its police departments, and for such equipment and services as are required at its place of operation to utilize the SCORE Facility.

Section 15. SCORE Facility Financing and Construction; SCORE Facility Public Development Authority.

(a) SCORE Facility. In order to provide necessary services for the Member Cities and the Subscribing Agencies, SCORE shall acquire, construct, improve, equip, maintain and operate the SCORE Facility. The SCORE Facility is expected to be located in the City of Des Moines, Washington. Pursuant to RCW 35.21.740, the City of Des Moines hereby authorizes the City of Renton to operate the SCORE Facility Public Development Authority within the corporate limits of the City of Des Moines in a manner consistent with the terms of this Agreement.

(b) Contracts for the SCORE Facility. The Administrative Board shall authorize, and the Presiding Officer of the Administrative Board, or his or her approved designee, will execute

contracts for the development of the SCORE Facility. These contracts shall include, without limitation, contracts for architectural design and engineering, project management services; real estate acquisition, and construction.

(c) SCORE Facility Public Development Authority. In order to finance costs of acquiring, constructing, improving and equipping the SCORE Facility, the City of Renton has agreed to form the SCORE Facility Public Development Authority. The purpose of the SCORE Facility Public Development Authority is to issue Bonds to finance and refinance the acquisition, construction, improvement and equipping of the SCORE Facility. The Administrative Board shall serve *ex officio* as the Board of Directors of the SCORE Facility Public Development Authority as further provided in the Authority's organizational charter. Upon issuance of Bonds by the SCORE Facility Public Development Authority, Bond proceeds shall be deposited on behalf of SCORE and used for the purposes set forth herein. SCORE shall be obligated to make payments to the SCORE Facility Public Development Authority at the time and in the amounts required to pay principal of and interest on the Bonds and any administrative costs of the SCORE Facility Public Development Authority.

(d) SCORE Facility Financing. Each Member City shall each pay an allocable portion of all aggregate capital and operating costs related to the SCORE Facility, less revenue received from Subscribing Agencies or other sources, as provided in this Agreement. Each Member City shall be billed for its total allocable capital and operating costs on a semiannual basis, or more frequently as determined by the Administrative Board, calculated as provided for in this Section.

(1) Capital Contribution. Each Member City shall be obligated to pay an amount equal to its Capital Contribution without regard to the payment or lack thereof by any other Member City. No Member City shall be obligated to pay the Capital Contribution of any other Member City, and each Member City shall be obligated to budget for and pay its Capital Contribution. The obligation of each Member City to pay its Capital Contribution shall be an irrevocable full faith and credit obligation of such Member City, payable from property taxes levied within the constitutional and statutory authority provided without a vote of the electors of the Member City on all of the taxable property within the Member City and other sources of revenues available therefor. Each Member City has or will set aside and include in its calculation of outstanding nonvoted general obligation indebtedness an amount equal to the principal component of its Capital Contribution for so long as Bonds remain outstanding, unless relieved of such payment in accordance with Section 4(g).

A Member City may prepay its Capital Contribution in a manner that is consistent with the authorizing documents for the Bonds; provided, however, that any such prepayment of one or more Member Cities shall not affect the Capital Contribution of the remaining Member Cities. Any Member City that elects to prepay its Capital Contribution shall be responsible for paying all costs associated with such prepayment.

(2) Costs of Maintenance and Operation. Subject to the terms of the financial policies established by the Administrative Board pursuant to Section 9(b) of this

Agreement, each Member City shall be obligated to pay its allocable portion of Costs of Maintenance and Operation of the SCORE Facility, including any debt issued to finance such costs, as determined in this subsection.

(i) Until the end of the first calendar year of operations of the SCORE Facility (estimated to be December 31, 2012), the allocable portion that each Member City shall be obligated to pay of Costs of Maintenance and Operation in such year shall be equal to the City's Base Percentage multiplied by the Costs of Maintenance and Operation.

(ii) Commencing with the calendar year following the first calendar year of operations, the allocable portion that each Member City shall be obligated to pay of Costs of Maintenance and Operation shall be based on the Member City's average daily population in the SCORE Facility, as supplemented as necessary with the average daily population allocable to the Member Cities in all correctional facilities, for the 12-month period ending June 30 of the preceding year.

(iii) Commencing with the third calendar year of operations, the allocable portion that each Member City shall be obligated to pay of Costs of Maintenance and Operation shall be based on the Member City's average daily population in the SCORE Facility for the 12-month period ending June 30 of the preceding year.

(e) Allocation of Revenues. Revenues received in a calendar year from Subscribing Agencies or from sources other than the contributions described in Section 15(d) above shall be used to reduce the Costs of Maintenance and Operation in the subsequent calendar year. Each Member City shall receive credit/benefit of the revenues discussed in this section based on that Member City's proportional average daily population as calculated in Section 15(d)(2) above.

(f) Tax-Exemption. The Member Cities shall not (1) make any use of the proceeds from the sale of Bonds or any other money or obligations of the SCORE Facility Public Development Authority or the Member Cities that may be deemed to be proceeds of the Bonds pursuant to Section 148(a) of the Code that will cause the Bonds to be "arbitrage bonds" within the meaning of said Section and said regulations, or (2) act or fail to act in a manner that will cause the Bonds to be considered obligations not described in Section 103(a) of the Code.

(g) Additional Financing. Notwithstanding anything to the contrary in this Agreement, bonds, notes or other evidences of borrowing may be issued from time to time by the SCORE Facility Public Development Authority or another issuer pursuant a separate agreement between one or more Member Cities and other entities to provide additional financing for the SCORE Facility on terms as agreed upon by the parties thereto.

(h) Special Facility Designation. The SCORE Facility, including all equipment, furnishings, and fixtures is critical to the ability of the Member Cities and the Subscribing Agencies to provide necessary and secure correctional services and assure public safety.

Consequently, the SCORE Facility is essential to the preservation of the public health, safety, and welfare. As a result, the SCORE Facility's equipment, furnishings, and fixtures are special facilities subject to unique standards. Accordingly, based on the facts presented in this subsection, it is hereby resolved that the established policy of the Member Cities is that the SCORE Facility constitutes a "special facility" under RCW 39.04.280(1)(b), and all purchases of any kind or nature for the SCORE Facility shall be exempt from competitive bidding requirements as prescribed by Washington State statute but shall be governed by the procurement policy established by the Administrative Board as amended from time to time.

Section 16. Preliminary Costs of the SCORE Facility; Bellevue Property

The Administrative Board shall allocate costs associated with the design, acquisition, construction, improvement and equipping of the SCORE Facility prior to the issuance of the Bonds by the SCORE Facility Public Development Authority among the Member Cities by an affirmative vote of a supermajority (majority plus one) of the of the Member Cities, two (2) of which shall have the highest and the second highest average daily population in the SCORE Facility for the 12-month period ending June 30 of the preceding year. Any costs of the SCORE Facility paid by a Member City pursuant to this section may be reimbursed out of proceeds of Bonds to the extent permitted by law.

The Member Cities hereby agree that any net proceeds received from the sale of the property located at 1440 116th Avenue NE, Bellevue, Washington and 1412 116th Avenue NE, Bellevue, Washington (estimated to be approximately \$3,180,000) shall be deposited with SCORE and used to finance costs associated with the design, acquisition, construction, improvement and equipping of the SCORE Facility.

Section 17. Compliance with Continuing Disclosure Requirements

To the extent necessary to meet the conditions of paragraph (d)(2) of United States Securities and Exchange Commission Rule 15c2-12 (the "Rule"), as applicable to a participating underwriter or remarketing agent for Bonds, each Member City will enter into an undertaking in a form acceptable at the time to the participating underwriter or remarketing agent, as the case may be.

Section 18. Filing of Agreement

Upon execution, this Agreement shall be filed as required in RCW 39.04.040.

Section 19. Severability

If any part, paragraph, section or provision of this Agreement is adjudged to be invalid by any court of competent jurisdiction such adjudication shall not affect the validity of any remaining section, part or provision of this Agreement.

Section 20. Execution and Amendment

This Agreement shall be executed on behalf of each Member City by its Designated Representative and pursuant to an appropriate motion, resolution or ordinance of each Member City. This Agreement shall be deemed adopted upon the date of execution by the last so Designated Representative.

This Agreement may not be effectively amended, changed, modified or altered, except by an instrument in writing duly executed by the Designated Representative of each Member City and pursuant to an appropriate motion, resolution or ordinance of each Member City, so long as such amendment does not materially adversely affect the owners of the Bonds or affect the tax-exempt status of the interest paid on the Bonds. If the Bonds issued by the SCORE Facility Public Development Authority are rated by a rating agency, then no amendment that adds or removes a Member City from this Agreement or revises Section 15 of this Agreement shall be permitted unless the SCORE Facility Public Development Authority has received written confirmation from the rating agency that such amendment will not result in a reduction or withdrawal of the rating on the Bonds. If the Bonds are not rated by a rating agency, then no such amendment as described in the preceding sentence will be permitted unless in the opinion of the SCORE Facility Public Development Authority such amendment will not materially adversely affect the owners of the Bonds.

Section 21. Third Party Beneficiaries

The SCORE Facility Public Development Authority and the holders from time to time of the Bonds shall be third party beneficiaries hereof and the commitments made herein shall be for their further benefit.

Section 22. Hold Harmless

The parties to this Agreement shall defend, indemnify and save one another harmless from any and all claims arising out of the performance of this Agreement, except to the extent that the harm complained of arises from the sole negligence of one of the participating members. Any loss or liability resulting from the negligent acts errors or omissions of the Administrative Board, Operations Board, Facility Director and or staff, while acting within the scope of their authority under this Agreement shall be borne by SCORE exclusively.

Section 23. Counterparts

This Agreement may be executed in any number of counterparts, each of whom shall be an original, but those counterparts will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

CITY OF AUBURN

By: _____

CITY OF DES MOINES

By: _____

CITY OF FEDERAL WAY

By: _____

CITY OF SEATAC

By: _____

CITY OF RENTON

By: _____

CITY OF TUKWILA

By: _____

CITY OF BURIEN

By: _____

EXHIBIT B

**Form of Formation Ordinance of the City of Renton
(attached)**

EXHIBIT B

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RENTON, WASHINGTON, AUTHORIZING THE CREATION OF A PUBLIC CORPORATION TO BE KNOWN AS THE SOUTH CORRECTIONAL ENTITY FACILITY PUBLIC DEVELOPMENT AUTHORITY; APPROVING A CHARTER AND BYLAWS; ESTABLISHING A BOARD OF DIRECTORS TO GOVERN THE AFFAIRS OF THE AUTHORITY; AND APPROVING PROCEDURES FOR THE CONDUCT OF ITS AFFAIRS.

WHEREAS, pursuant to RCW 35.21.730 through 35.21.755, the City Council (the "Council") of the City of Renton, Washington (the "City") may authorize the creation of a public corporation as a separate legal entity to perform any lawful public purpose or public function as therein authorized; and

WHEREAS, pursuant to chapter 39.34 RCW, the City has entered into the SCORE Interlocal Agreement (the "Interlocal Agreement") with the Cities of Auburn, Des Moines, Federal Way, Tukwila, Burien and SeaTac, Washington (together with the City, the "Member Cities") for the formation of a governmental administrative agency known as the South Correctional Entity ("SCORE"); and

WHEREAS, SCORE is responsible for the establishment and maintenance of a consolidated correctional facility (the "SCORE Facility") to serve the Member Cities and federal and state agencies and other local governments that may contract with SCORE in the future to provide correctional services essential to the preservation of the public health, safety and welfare; and

WHEREAS, the Member Cities have determined that the SCORE Facility will provide improved correctional facilities within the boundaries of the consolidated service areas at a lower total cost to the participating Member Cities than currently available alternatives or than the participating Member Cities could individually provide; and

WHEREAS, the Interlocal Agreement contemplates that the City will create a public corporation for the purpose of issuing and servicing bonds that are secured by the full faith and credit of the Member Cities in order to finance the acquisition, construction, equipping, and improving of the SCORE Facility; and

WHEREAS, the City will act as the host city for the formation of the public corporation, subject to the approval of each Member City; and

WHEREAS, the City has determined that chartering a public corporation to function on its behalf in undertaking the acquisition, construction, equipping, and improvement of the SCORE Facility will create a highly focused and dedicated entity that will accelerate progress, provide for financing, pool limited resources and enhance opportunities to work with the Member Cities and others critical to the successful construction and operation of a regional correctional facility, all while ensuring appropriate public oversight and accountability; and

WHEREAS, the Council has been presented with drafts of a proposed charter (the "Charter") and bylaws (the "Bylaws") for the establishment and chartering of a public corporation to be known as the South Correctional Entity Facility Public Development Authority, which will have as its purpose the issuance and servicing of one or more series of bonds or other obligations to provide financing for the acquisition, construction, equipping, and improving of a correctional facility pursuant to the terms of this ordinance and the Charter; and

WHEREAS, it appears in the best interest of the City to approve the Charter and Bylaws for the South Correctional Entity Facility Public Development Authority as now proposed;

BE IT ORDAINED by the Council of the City of Renton:

Section 1. Authority Created—City Liability Limited.

A. Authority Created. The Council hereby authorizes the creation of a public corporation pursuant to RCW 35.21.730(5). The public corporation shall have all of the powers set forth in this ordinance, RCW 35.21.730 through 35.21.755, and in its charter necessary to finance and refinance the acquisition, construction, equipping, and improvement of a regional correctional facility known as the South Correctional Entity Facility (the "SCORE Facility") through the issuance and servicing of one or more series of bonds, notes or other obligations (collectively, the "Bonds"), and to perform any other function specified in its charter.

B. Name. The name of the public corporation shall be the "South Correctional Entity Facility Public Development Authority" (hereinafter the "Authority").

C. Seal. The corporate seal of the Authority shall carry the name of the Authority.

D. City Liability Limited. The Authority is an independent legal entity exclusively responsible for its own debts, obligations and liabilities. Except as specifically agreed in writing by the City, the Authority may not create, and shall take no action that might impose, liability upon the City. All liabilities incurred by the Authority shall be satisfied exclusively from the assets, credit, and properties of the Authority, and no creditor or other person shall have any right of action against or recourse to the City, its assets, credit, or services, on account of any debts, obligations, liabilities or acts or omissions of the Authority.

The charter of the Authority shall provide that the Authority is organized pursuant to this ordinance and RCW 35.21.730 through 35.21.755 and state as follows: "[A]ll liabilities incurred by such public corporation, commission, or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission, or authority and no creditor or

other person shall have any right of action against the city, town, or county creating such corporation, commission, or authority on account of any debts, obligations or liabilities of such public corporation, commission, or authority." Such statement shall be displayed in a prominent location in the principal office or other offices of the Authority. It shall also be printed or stamped on all contracts, bonds, and other documents that may entail any debt or liability by the Authority.

E. Contributions of the Cities. The City and the Cities of Auburn, Des Moines, Federal Way, Tukwila, Burien, and SeaTac, Washington (together with the City, the "Member Cities") shall each pay an allocable portion of the budgeted expenses of maintenance and operation of the SCORE Facility not paid from other sources, which allocable portion shall be determined as provided in the Interlocal Agreement. In addition to the foregoing commitment, each Member City shall contribute funds in the percentages provided for in the Interlocal Agreement to pay debt service on Bonds as the same shall become due and payable and to pay administrative expenses of the Authority with respect to the Bonds (referred to herein as the respective Member City's "Capital Contribution"). No Member City shall be obligated to pay the Capital Contribution of any other Member City; the obligations of each Member City with respect to the Bonds shall be limited to its allocable share of such obligations; all such payments shall be made by the Member City without regard to the payment or lack thereof by any other jurisdiction; and each Member City shall be obligated to budget for and pay its Capital Contribution unless relieved of such payment in accordance with the Interlocal Agreement. All payments with respect to the Bonds shall be made to SCORE in its capacity as administrator and servicer of the Bonds to be issued by the Authority.

The obligation of each Member City to pay its Capital Contribution shall be an irrevocable full faith and credit obligation of such Member City, payable from property taxes levied within the constitutional and statutory authority provided without a vote of the electors of the Member City on all of the taxable property within the Member City and other sources of revenues available therefor. Each Member City has or will obligate itself and commit to budget for and pay its Capital Contribution and to set aside and include in its calculation of outstanding nonvoted general obligation indebtedness an amount equal to the principal component of its Capital Contribution for so long as Bonds remain outstanding.

Section 2. Powers--Generally. Except as limited by the constitution of the State of Washington (the "State"), State statute, this ordinance or the Charter of the Authority, the Authority shall have and may exercise all lawful powers necessary or convenient to effect the purposes for which the Authority is organized and to perform authorized corporate functions, as provided in its Charter. The Authority may conduct activities outside of the boundaries of the City upon a determination by the Council that the activity will further the purposes of the Authority, subject, however, to the applicable limitations set forth in RCW 35.21.740. The Council hereby authorizes the Authority to acquire, equip, construct, improve and maintain the SCORE Facility located in the City of Des Moines, Washington pursuant to the terms of the Interlocal Agreement.

Section 3. Limitation of Powers. The activities and transactions of the Authority shall be limited in the following respects:

A. The Authority shall have no power of eminent domain nor any power to levy taxes or special assessments.

B. Except as otherwise agreed to by a Member City, the Authority may not incur or create any liability that permits recourse by any contracting party or member of the public to any assets, services, resources, or credit of a Member City.

C. No funds, assets, or property of the Authority shall be used for any partisan political activity or to further the election or defeat of any candidate for public office; nor shall any funds or a substantial part of the activities of the Authority be used for publicity or educational purposes designed to support or defeat legislation pending before the Congress of the United States, the State Legislature or the Council of the Member Cities; provided, however, that funds may be used for representatives of the Authority to communicate with members of Congress, State legislators or city council members concerning funding and other matters directly affecting the Authority, so long as such activities do not constitute a substantial part of the Authority's and unless such activities are specifically limited in its charter.

D. All funds, assets, or credit of the Authority shall be applied toward or expended upon services, projects, and activities authorized by its charter. No part of the net earnings of the Authority shall inure to the benefit of, or be distributable as such to, the board members or other private persons, except that the Authority is authorized and empowered to:

(i) Reimburse Board Members, employees and others performing services for the Authority reasonable expenses actually incurred in performing their duties, and compensate employees and others performing services for the Authority a reasonable amount for services rendered;

(ii) Assist board members or employees as members of a general class of persons to be assisted by a corporate approved project or activity to the same extent as other members of the class as long as no special privileges or treatment accrues to such board members or employees by reason of his or her status or position in the Authority;

(iii) Defend and indemnify any current or former board member or employee and their successors against all costs, expenses, judgements, and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him or her in connection with or resulting from any claim, action, or proceeding, civil or criminal, in which he or she is or may be made a party by reason of being or having been a board member or employee, or by reason of any action alleged to have been taken or omitted by him or her in such position, provided that he or she was acting in good faith on behalf of the Authority and within the scope of duties imposed or authorized by law. This power of indemnification shall not be exclusive of other rights to which board members or employees may be entitled as a matter of law;

(iv) Purchase insurance to protect and hold personally harmless any of its board members, employees and agents from any action, claim, or proceeding instituted against the foregoing individuals arising out of the performance, in good faith, of duties

for, or employment with, the Authority and to hold these individuals harmless from any expenses connected with the defense, settlement, or monetary judgements from such actions, claims, or proceedings. The purchase of such insurance and its policy limits shall be discretionary with the board, and such insurance shall not be considered to be compensation to the insured individuals. The powers conferred by this subsection shall not be exclusive of any other powers conferred by law to purchase liability insurance; and

(v) Sell assets for a consideration greater than their reasonable market value or acquisition costs, charge more for services than the expense of providing them, or otherwise secure an increment in a transaction, or carry out any other transaction or activity, as long as such gain is not the object or purpose of the Authority's transactions or activities and is applied to or expended upon services, projects, and activities as aforesaid.

E. The Authority shall not issue shares of stock, pay dividends, make private distribution of assets, make loans to its board members or employees or otherwise engage in business for private gain.

Section 4. Charter. The charter of the Authority (the "Charter") is hereby approved in the form set forth at Exhibit A. The Charter shall be issued in duplicate originals, each signed by the City Mayor and bearing the City seal attested by the City Clerk. One original shall be filed with the Clerk of the Council and filed as a public record. A duplicate original shall be provided to the Authority.

Amendments to the Charter may be initiated by the Board Members or by the Renton City Council. All amendments to the Charter initiated by the Renton City Council shall be presented to the Board for consideration and approval and shall not become effective unless approved by a majority vote of the Board. All amendments to the Charter, regardless of how initiated, shall become effective as provided in the Charter. After adoption of a Charter amendment, the revised Charter shall be issued and filed in the same manner as the original Charter.

Section 5. Effect of Issuance of Charter. The Authority shall commence its existence effective upon fulfillment of all of the following:

- (a) Each of the Councils of the Member Cities has approved the creation of the Authority by the City;
- (b) This ordinance has become effective; and
- (c) The charter shall have been executed, and the Charter and bylaws of the Authority (the "Bylaws") shall be on file with the City Clerk.

Except as against the State or the City in a proceeding to cancel or revoke the Charter, delivery of a duplicate original Charter shall conclusively establish that the Authority has been established in compliance with the procedures of this ordinance.

Section 6. Board of Directors; Officers. The SCORE Administrative Board established pursuant to Section 5 of the Interlocal Agreement shall act *ex officio* as the board of the Authority (the "Board"). All corporate powers of the Authority shall be exercised by or under the authority of the Board; and the business, property and affairs of the authority shall be managed under the supervision of the Board, except as may be otherwise provided by law or in the Charter. The Board shall have officers as provided in the Charter.

Section 7. Meeting. Within ninety (90) days after issuance of the Charter, the City Mayor shall call an organizational meeting of the initial Board, giving at least ten (10) days' advance written notice to each, unless waived in writing. At such meeting, the Board shall organize itself, appoint officers, and select its place of business. All Board meetings, including executive, all other permanent and ad hoc committee meetings, shall be open to the public to the extent required by chapter 42.30 RCW.

Section 8. Bylaws. The Bylaws of the Authority are hereby approved in the form set forth at Exhibit B. The power to alter, amend, or repeal the Bylaws or adopt new ones shall be vested in the Board except as otherwise provided in the Charter. The Bylaws shall be consistent with the Charter. In the event of a conflict between the Bylaws and this ordinance or the Charter, this ordinance or the Charter, as the case may be, shall control.

Section 9. Funds of the Authority. All money belonging to or collected for the use of the Authority coming into the hands of any officer thereof shall immediately be deposited with a legal depository to the credit of the Authority for the benefit of the funds to which they belong. The use of funds of the Authority for any purpose not authorized by law by any officer having possession or control thereof is prohibited.

Section 10. Bonds and Notes. Bonds issued by the Authority may be secured by revenues and receipts as may be designated in the proceedings under which the issuance of the bonds or notes is authorized. All Bonds issued shall carry in a prominent place thereon the statement set forth in Section 1(D) of this ordinance. All Bonds or liabilities occurring thereunder shall be satisfied exclusively from the assets or credit of the Authority, and no creditor or other person shall have any recourse to the assets, credit, or services of the City thereby, unless the City shall expressly, in writing, guarantee such debt.

Bonds of the Authority may be sold at such price or prices, at public or private sale, in such manner and from time to time as may be determined by the Authority. The Authority may issue Bonds from time to time that are secured by the full faith and credit of the Member Cities in the aggregate principal amount of not to exceed \$100,000,000 (not including any bonds or notes to be refunded with proceeds of such Bonds) for the purposes set forth in the Interlocal Agreement. Bonds issued in excess of such amount shall require additional council approval by each Member City. Bonds may be payable at such place or places whether within or without the State, may bear interest at such rate or rates, may be in such form and denominations and of such tenor and maturities, may be in bearer form or in registered form as to principal and interest or as to principal alone, reserve such rights to redeem at such price or prices and after such notice or

notices and on such terms and conditions, all as the Authority may determine and provide in the proceedings under which such Bonds shall be issued.

The Authority may at the time of the issuance of such Bonds make such covenants with the purchasers and holders of said Bonds as it may deem necessary to secure and guarantee the payment of the principal thereof and the interest thereon, including but not limited to: covenants to set aside adequate reserves to guarantee payment of principal and interest; to appoint a trustee or trustees to safeguard the expenditure of the proceeds of sale of such Bonds and to take possession and use or operate and manage corporate assets securing the Bonds in event of default or insolvency of the Authority, with such powers as maybe contained in any covenants relating to the Bonds; and to limit the amount, time, and conditions under which additional Bonds may be issued or debts incurred.

The Authority may pay expenses, premiums and commissions which it may deem necessary in connection with the issuance and sale of its Bonds and take such other actions or make such commitments as are necessary or convenient in the issuance and servicing of such Bonds and as are consistent with this ordinance although not enumerated herein.

Section 11. Discrimination Prohibited. Membership to the Board shall not be directly or indirectly based upon or limited by age, race, color, religion, sex, national origin, sexual orientation or the presence of any physical handicap. Furthermore, the Authority shall not discriminate in any matter related to employment because of age, race, color, religion, sex, national original, sexual orientation or the presence of any physical handicap. The Authority shall, in all solicitation or advertisements for employees placed by or on behalf of the Authority, if any, state that all qualified applicants will receive consideration for employment without regard to age, race, color, religion, sex, national origin, sexual orientation or the presence of any physical handicap.

Section 12. Dissolution.

A. If five of the Councils of the Member Cities, each by ordinance, make an affirmative finding that dissolution is warranted for any reason, the existence of the Authority shall be terminated by ordinance of the Renton City Council. Dissolution shall be accomplished as provided in the Charter, and shall not take effect until proper provision has been made for disposition of all Authority assets, if any.

B. Upon enactment of an ordinance by the Renton City Council for dissolution of the Authority, the Authority shall file a dissolution statement signed by its president setting forth:

(i) The name and principal office of the Authority;

(ii) The debts, obligations and liabilities of the Authority, and the property and assets available to satisfy the same; the provisions to be made for satisfaction of outstanding liabilities and performance of executory contracts; and the estimated time for completion of its dissolution;

- (iii) Any pending litigation or contingent liabilities;
- (iv) The Board resolution providing for such dissolution and the date(s) and proceedings leading toward its adoption, whenever the dissolution be voluntary; and
- (v) A list of persons to be notified upon completion of the dissolution.

The City Mayor shall review the dissolution statement filed and oversee the dissolution to protect the public interest and prevent impairment of obligation, or if so authorized by law, authorize or initiate proceedings in the Superior Court for the appointment and supervision of a receiver for such purposes.

Upon satisfactory completion of dissolution proceedings, the City shall indicate such dissolution by inscription of "charter cancelled" on the original Charter of the Authority, on file with the Clerk of the Council and, when available, on the duplicate original of the Authority, and the existence of the Authority shall cease. The City shall give notice thereof pursuant to Washington State law and to other persons requested by the Authority in its dissolution statement.

C. Upon dissolution of the Authority or the winding up of its affairs, title to all remaining assets or property of the Authority shall vest in SCORE as provided in the Charter.

D. Notwithstanding the foregoing, the Authority shall not be dissolved until all Bonds issued by the Authority are no longer outstanding.

Section 13. Public Corporation. The Authority is a public corporation created pursuant to RCW 35.21.730 through 35.21.755 as a separate legal entity from the City.

Section 14. Ancillary Authority. The administrative staff of the City are granted all such power and authority as reasonably necessary or convenient to enable each of them to administer this ordinance efficiently and to perform the duties imposed in this ordinance or the Charter.

Section 15. Liberal Construction. This ordinance shall be liberally construed so as to effectuate its purposes and the purposes of RCW 35.21.730 through 35.21.755.

Section 16. Effective Date. This ordinance shall take effect and be in force from and after passage and publication as provided by law.

PASSED by Council this _____ day of _____, 20__.

By _____
Council President

APPROVED by the Mayor this _____ day of _____, 20__.

By _____
City Mayor

[SEAL]

ATTEST:

City Finance Director

Approved as to form only:

City Attorney

Date of Publication of
Notice of Public Hearing: _____
Effective Date of Ordinance: _____

EXHIBIT C

**Form of Charter of the
South Correctional Entity Facility Public Development Authority
(attached)**

Exhibit C

**CHARTER
OF
SOUTH CORRECTIONAL ENTITY FACILITY
PUBLIC DEVELOPMENT AUTHORITY**

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**CHARTER
OF
SOUTH CORRECTIONAL ENTITY FACILITY
PUBLIC DEVELOPMENT AUTHORITY**

ARTICLE I

NAME AND AUTHORITY SEAL

The name of this corporation shall be the "South Correctional Entity Facility Public Development Authority" (hereinafter referred to as the "Authority"). The corporate seal of the Authority shall be a circle with the name of the Authority and the word "SEAL" inscribed therein.

ARTICLE II

**AUTHORITY FOR SOUTH CORRECTIONAL ENTITY FACILITY PUBLIC
DEVELOPMENT AUTHORITY; LIMIT ON LIABILITY**

Section 1. Authority.

The Authority is a public corporation organized pursuant to Revised Code of Washington ("RCW") 35.21.730 through 35.21.755, as the same now exist or may hereafter be amended, or any successor act or acts (the "Act") and Ordinance No. _____ of the City of Renton, Washington, passed on _____, 20__ (the "Ordinance"). Formation of the Authority was approved by Ordinance No. _____ of the City of Auburn, passed on _____, 20__, Ordinance No. _____ of the City of Des Moines, passed on _____, 20__, Ordinance No. _____ of the City of Federal Way, passed on _____, 20__, Ordinance No. _____ of the City of Tukwila, passed on _____, 20__, Ordinance No. _____ of the City of Burien, passed on _____, 20__, and Ordinance No. _____ of the City of SeaTac, passed on _____, 20__.

Section 2. Limitation on Liability.

All liabilities incurred by the Authority shall be satisfied (a) in the case of obligations or liabilities of the Authority which are not limited recourse in nature, exclusively from the assets, credit, and properties of the Authority, or (b) in the case of obligations or liabilities of the Authority which, by their terms, are limited recourse obligations, from such assets, properties or revenues of the Authority as shall be specifically pledged thereto or otherwise identified as being the source of payment of such limited recourse obligations or liabilities, and no creditor or other person shall have any right of action against or recourse to the Cities of Renton, Auburn, Des Moines, Federal Way, Tukwila, Burien and SeaTac, Washington (collectively, the "Member Cities"), its assets, credit, or services, on account of any debts, obligations, liabilities or acts or omissions of the Authority.

Section 3. Mandatory Disclaimer.

The following disclaimer shall be posted in a prominent place where the public may readily see it in the Authority's principal and other offices. It shall also be printed or stamped on all contracts, bonds, and other documents that may entail any debt or liability by the Authority.

The South Correctional Entity Facility Public Development Authority is organized pursuant to Ordinance No. ____ of the City of Renton, Washington adopted on _____, 20__, and approved by Ordinance No. ____ of the City of Auburn, Washington adopted on _____, 20__, Ordinance No. ____ of the City of Des Moines, Washington adopted on _____, 20__, Ordinance No. ____ of the City of Federal Way, Washington adopted on _____, 20__, Ordinance No. ____ of the City of Tukwila, Washington adopted on _____, 20__, Ordinance No. ____ of the City of Burien, Washington adopted on _____, 20__, and Ordinance No. ____ of the City of SeaTac, Washington adopted on _____, 20__, each as existing or as hereinafter amended, and RCW 35.21.730 through 35.21.755. RCW 35.21.750 provides as follows: "[A]ll liabilities incurred by such public corporation, commission, or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission, or authority and no creditor or other person shall have any right of action against the city, town, or county creating such corporation, commission, or authority on account of any debts, obligations or liabilities of such public corporation, commission, or authority."

In no event shall the obligations of the Authority be payable by recourse against any properties, assets or revenues of the Cities of Renton, Auburn, Des Moines, Federal Way, Tukwila, Burien or SeaTac, Washington or any other political subdivision of the State of Washington. No person to whom such obligations are owed shall have any recourse or right of action against the Cities of Renton, Auburn, Des Moines, Federal Way, Tukwila, Burien, or SeaTac, Washington, the State of Washington or any other political subdivision thereof on account of such obligations, except to enforce the payments obligated to be made by ordinance by each of the Cities of Renton, Auburn, Des Moines, Federal Way, Tukwila, Burien or SeaTac, Washington.

Any of the Member Cities may, by ordinance or contract or pursuant to interlocal agreement, agree to pay (on a contingent basis or otherwise), all or any portion of the obligations of the Authority; however, (1) no Member City shall be obligated beyond the proportion or sum specified by ordinance or contract, and (2) no Member City shall be obligated, directly or indirectly for the obligations of any other Member City.

ARTICLE III

DURATION OF AUTHORITY

The duration of this corporation shall be perpetual.

ARTICLE IV

PURPOSE OF AUTHORITY

Pursuant to chapter 39.34 RCW, the Member Cities have entered into the SCORE Interlocal Agreement (the "Interlocal Agreement") for the formation of a governmental administrative agency known as the South Correctional Entity ("SCORE"). SCORE is responsible for the establishment and maintenance of a consolidated correctional facility (the "SCORE Facility") to serve the Member Cities and federal and state agencies and other local governments that may contract with SCORE to provide correctional services essential to the preservation of the public health, safety and welfare. The purpose of the Authority is to provide an independent legal entity under RCW 35.21.730-.755 and the Ordinance to issue debt to finance and refinance the acquisition, construction, equipping and improvement of the SCORE Facility. Such debt may be issued in one or more series, may be in the form of bonds, notes or other evidences of indebtedness to provide interim and permanent financing for the SCORE Facility and thereafter, to finance or refinance equipment, completion, expansion and other capital improvements essential to maintain the SCORE Facility's functionality as deemed necessary by the Board. Such bonds, notes, and other evidences of indebtedness are collectively referred to herein as the "Bonds." Bonds may be issued from time to time by the Authority upon a supermajority vote of the Board.

For the purpose of securing the exemption from Federal income taxation for interest on obligations of the Authority, the Authority constitutes an authority and instrumentality of the City of Renton, Washington (within the meaning of those terms in regulations of the United States Treasury and rulings of the Internal Revenue Service prescribed pursuant to Section 103 and Section 115 of the Internal Revenue Code of 1986, as amended).

ARTICLE V

POWERS OF AUTHORITY

The Authority shall have and may exercise all lawful powers conferred by State laws, the Ordinance, this Charter and its Bylaws. The Authority in all of its activities and transactions shall be subject to the powers, procedures, and limitations contained in the Ordinance.

ARTICLE VI

LIMITS ON AUTHORITY POWERS

The Authority in all activities and transactions shall be limited in the following respects:

1. The Authority shall have no power of eminent domain or any power to levy taxes or special assessments.
2. Except as otherwise agreed to by a Member City, the Authority may not incur or create any liability that permits recourse by any contracting party or member of the public to any assets, services, resources, or credit of a Member City.
3. No funds, assets, or property of the Authority shall be used for any partisan political activity or to further the election or defeat of any candidate for public office; nor shall any funds or a substantial part of the activities of the Authority be used for publicity or educational purposes designed to support or defeat legislation pending before the Congress of the United States, or the Legislature of the State of Washington or the Council of a Member City; provided, however, that funds may be used for representatives of the Authority to communicate with members of Congress, State legislators or members of the Councils of the Member Cities concerning funding and other matters directly affecting the Authority, so long as such activities do not constitute a substantial part of the Authority's activities.
4. All funds, assets, or credit of the Authority shall be applied toward or expended upon services, projects, and activities authorized by this Charter. No part of the net earnings of the Authority shall inure to the benefit of, or be distributable as such to, Board Members, officers or other private persons, except that the Authority is authorized and empowered to:
 - (A) Reimburse Board Members, employees and others performing services for the Authority reasonable expenses actually incurred in performing their duties, and compensate employees and others performing services for the Authority a reasonable amount for services rendered;
 - (B) Assist Authority Board Members or employees as members of a general class of persons to be assisted by a corporate-approved project or activity to the same extent as other members of the class as long as no special privileges or treatment accrues to such Board Member or employee by reason of his or her status or position in the Authority;
 - (C) Defend and indemnify any current or former Board Member or employee and their successors against all costs, expenses, judgments, and liabilities, including attorneys' fees, reasonably incurred by or imposed upon him or her in connection with or resulting from any claim, action, or proceeding, civil or criminal, in which he or she is or may be made a party by reason of being or having been a Board Member or employee or by reason of any action alleged to have been taken or omitted by him or her in such

position, provided that he or she was acting in good faith on behalf of the Authority and within the scope of duties imposed or authorized by law. This power of indemnification shall not be exclusive of other rights to which Board Members or employees may be entitled as a matter of law;

(D) Purchase insurance to protect and hold personally harmless any current or former Board Member or employee and their successors from any action, claim, or proceeding instituted against the foregoing individuals arising out of the performance, in good faith, of duties for, or employment with, the Authority and to hold these individuals harmless from any expenses connected with the defense, settlement, or monetary judgments from such actions, claims, or proceedings. The purchase of such insurance and its policy limits shall be discretionary with the Board Members, and such insurance shall not be considered to be compensation to the insured individuals. The powers conferred by this subsection shall not be exclusive of any other powers conferred by law to purchase liability insurance; and

(E) Sell assets for a consideration greater than their reasonable market value or acquisition costs, charge more for services than the expense of providing them, or otherwise secure an increment in a transaction, or carry out any other transaction or activity, as long as such gain is not the object or purpose of the Authority's transactions or activities and is applied to or expended upon services, projects, and activities as aforesaid.

5. The Authority shall not issue shares of stock, pay dividends, make private distribution of assets, make loans to its Board Members or employees or otherwise engage in business for private gain.

ARTICLE VII

ORGANIZATION OF AUTHORITY

Section 1. Board of Directors and Tenure

The management of all Authority affairs shall reside in a Board of Directors. The SCORE Administrative Board created pursuant to Section 5 of the Interlocal Agreement, including all amendments, shall act *ex officio* as the Board of the Authority. Board Members shall have terms coextensive with their terms as members of the SCORE Administrative Board.

Section 2. Board Concurrence and Quorum Defined. "Board concurrence" may be obtained at any regular or special Board meeting by an affirmative vote of a majority of the Board Members voting on the issue, provided that such majority equals not less than four (4) votes. A "supermajority vote of the Board" may be obtained at any regular or special Board meeting by an affirmative vote of a majority plus one of the Board members, two of which shall have the highest and the second highest average daily population in the SCORE Facility for the 12-month period ending June 30 of the preceding year. Five (5) voting Board Members must be

present at any regular or special meeting of the Board to comprise a quorum, and for the Board to transact any business. Proxy voting shall not be allowed. The Bylaws of the Authority may prescribe Board quorum restrictions that equal or exceed the quorum restrictions imposed in this Section. Board Members present at a duly convened meeting may continue to transact business notwithstanding the departure of enough members to leave less than a quorum.

Section 3. Right to Indemnification.

To the extent permitted by law, the Authority may protect, defend, hold harmless and indemnify any person who becomes a director, officer, employee or agent of the Authority, and who is a party or threatened to be made a party to a proceeding by reason related to that person's conduct as a director, officer, employee or agent of the Authority, against judgments, fines, penalties, settlements and reasonable expenses (including attorneys' fees) incurred by him or her in connection with such proceeding, if such person acted in good faith and reasonably believed his or her conduct to be in the Authority's best interests and if, in the case of any criminal proceedings, he or she had no reasonable cause to believe his or her conduct was unlawful. The indemnification and protection provided herein shall not be deemed exclusive of any other rights to which a person may be entitled as a matter of law or by contract or by vote of the Board of Directors. The Authority may purchase and maintain appropriate insurance for any person to the extent provided by the applicable law.

Section 4. Conflict of Interest and Code of Ethics.

The Authority shall, in the Bylaws, adopt a code of ethics policy for Board Members. All Board Members will be required to disclose any information concerning actions or activities of the candidate or his/her immediate family that present a potential conflict of interest as a Board Member.

ARTICLE VIII

OFFICERS OF AUTHORITY

Section 1. Officers and Division of Duties.

The Authority shall have at least one officer, the President, selected as provided in the Bylaws. Subject to the control of the Board, the President shall have general supervision, direction and control of the business and affairs of the Authority. The President shall be the agent of the Authority for service of process. On matters decided by the Authority, unless otherwise required under the Ordinance or by this Charter, the signature of the President alone is sufficient to bind the corporation.

The Bylaws may designate additional corporate officials as agents to receive or initiate process. The Board also may provide for additional officers, *e.g.*, Vice President, Secretary, and/or Treasurer. The President and the Treasurer may not be the same person. The day to day

affairs of the Authority, including debt administration, shall be managed by the Facilities Director of the SCORE Facility, in the manner provided in the Interlocal Agreement.

Section 2. Committees.

The Bylaws may provide for an Executive Committee, which shall be appointed and/or removed by the Board, and shall have and exercise such authority of the Board in the management between meetings of the Board, as may be specified in the Bylaws. The appointment of other committees shall be provided for in the Bylaws.

ARTICLE IX

COMMENCEMENT OF AUTHORITY

The Authority shall commence its existence effective upon the issuance of its Charter as sealed and attested by the City Clerk of the City of Renton as provided in the Ordinance.

ARTICLE X

BYLAWS

The initial Bylaws may be amended by the Board to provide additional or different rules governing the Authority and its activities as are not inconsistent with this Charter. The Board may provide in the Bylaws for all matters related to the governance of the Authority, including but not limited to matters referred to elsewhere in the Charter for inclusion therein.

ARTICLE XI

MEETINGS OF THE AUTHORITY

Section 1. Time and Place of Meetings.

Regular meetings of the Board shall be held at least two times per year at a regular time and place to be determined by the Board by resolution. At the last regular meeting of the calendar year, the Board shall adopt a resolution specifying the date, time and place of regular meetings for the upcoming calendar year. A copy of the resolution shall be distributed in the same manner as notice of special meetings is provided pursuant to Section 3 below. Special meetings of the Board may be held at any place at any time whenever called by the President or a majority of the Board Members.

Section 2. Notice of Meetings.

No notice of regular meetings shall be required, except for the first regular meeting after any change in the time or place of such meeting adopted by resolution of the Board as provided above. Notice of such changed regular meeting shall be given by the President or by the person

or persons calling the meeting by email or by personal communication over the telephone to each Board Member least 24 hours prior to the time of the meeting or by at least three (3) days' notice by mail, telegram, electronic or written communication. If mailed, notice shall be mailed by United States mail, postage prepaid, to the last known address of each Board Member.

Section 3. Notice of Special Board Meetings.

Notice of all special meetings of the Board of Directors shall be given by the President or by the person or persons calling the special meeting in accordance with RCW 42.30.080 by delivering personally, by electronic means or by mail written notice at least 24 hours prior to the time of the meeting to each Board Member, to each local newspaper of general circulation and to each radio or television station that has requested notice and to any other individual specifically requesting it in writing. The call and notice of all special meetings shall specify the time and place of all special meetings and the business to be transacted. Final disposition shall not be taken by the Board on any other matters at such special meetings. At any regular meeting of the Board, any business may be transacted and the Board may exercise all of its powers.

Section 4. Waiver of Notice.

Notice as provided in Sections 2 and 3 hereof may be dispensed with as to any member of the Board who at or prior to the time the meeting convenes files with the Board of the Authority a written waiver of notice or who is actually present at the meeting at the time it convenes. Such notice may also be dispensed with as to special meetings called to deal with an emergency involving injury or damage to persons or property or the likelihood of such injury or damage, where time requirements of such notice would make notice impractical and increase the likelihood of such injury or damage. Notice, as provided in Article XIII of this Charter concerning proposed amendments to this Charter or Bylaws and votes on such amendments, may not be waived.

Section 5. Notice to City Council.

Notice of all meetings and minutes of all meetings of the Board shall be given to the City Council of the Member Cities by giving notice to the City Clerk of each of the foregoing Member Cities.

Section 6. Open Public Meetings.

All Board meetings, including executive, all other permanent and ad hoc committee meetings, shall be open to the public to the extent required by chapter 42.30 RCW. The Board and committees may hold executive sessions to consider matters enumerated in chapter 42.30 RCW or privileged matters recognized by law, and shall enter the cause therefor in its official journal. Notice of meetings shall be given in a manner consistent with the Ordinance and chapter 42.30 RCW. In addition, the Authority shall provide reasonable notice of meetings to any individual specifically requesting it in writing. At such meetings, any person shall have a reasonable opportunity to address the Board either orally or by written petition.

Section 7. Telephonic Participation

Board Members may participate in a regular or special meeting through the use of any means of communication by which all Board Members and members of the public participating in such meeting can hear each other during the meeting. Any Board Member participating in a meeting by such means is deemed to be present in person at the meeting for all purposes including, but not limited to, establishing a quorum.

Section 8. Parliamentary Authority.

The rules in Robert's Rules of Order (newly revised) shall govern the Authority in all cases to which they are applicable, where they are not inconsistent with this Charter or with the special rules of order of the Authority set forth in the Bylaws.

Section 9. Minutes.

Copies of the minutes of all regular or special meetings of the Board shall be available to any person or organization that requests them. The minutes of all Board meetings shall include a record of individual votes on all matters requiring Board approval.

ARTICLE XII

CONSTITUENCY

There shall be no constituency of the Authority.

ARTICLE XIII

AMENDMENTS TO CHARTER AND BYLAWS

Section 1. Proposals to Amend Charter and Bylaws.

Proposals to amend this Charter may be initiated by the Renton City Council or by the Board Members. Proposals to amend the Bylaws may be initiated by the Board Members. Proposals to amend the Charter initiated by the Renton City Council shall be presented to the Board in a format as provided in Section 2(1), in accordance with the terms of the Ordinance. Proposals to amend the Charter or the Bylaws may be initiated by the Board in the manner described in the following Sections 2 and 3.

Section 2. Proposals Initiated by the Board.

1. Proposals to amend the Charter or Bylaws shall be presented in a format which strikes over material to be deleted and underlines new material.

2. Any Board Member may introduce a proposed amendment to the Charter or to the Bylaws (which may consist of new Bylaws) at any regular meeting or at any special meeting of which 30 days advance written notice has been given to members of the Board. Any notice required by this Article may be given by telegram, electronic or written communication. If mailed, notice shall be mailed by United States mail, postage prepaid, to the last known address of each Board Member.

Section 3. Board Consideration of Proposed Amendments.

If written notice of a proposed amendment to the Charter or to the Bylaws, and information, including the text of the proposed amendment and a statement of its purpose and effect, is provided to Board Members at least 30 days prior to any regular Board meeting or any special meeting of which advance notice has been given, then the Board may vote on the proposed amendment at the same meeting as the one at which the amendment is introduced. Germane amendments to the proposed amendment within the scope of the original amendment will be permitted at the meeting at which the vote is taken.

Section 4. Vote Required for Amendments to Charter or Bylaws.

Resolutions of the Board approving proposed amendments to the Charter or Bylaws require an affirmative vote of a majority of the Board members voting on the issue, provided that such majority equals not less than four (4) votes. Amendments to this Charter shall be effective as provided in Section 5 of this Article. Amendments to the Bylaws shall be effective upon adoption by the Board.

Section 5. City Council Approval of Proposed Charter Amendments.

Proposed Charter amendments initiated and approved by the Board shall be submitted to each of the Councils of the Member Cities; provided, however, that no amendment to the Charter shall be effective until approved by the Renton City Council and the Councils of four (4) of the other Member Cities; provided further, however, that no amendment to the Charter that revises the definition of "supermajority vote of the Board" as provided in Article VI, Section 2 shall be effective until approved by the Councils of all of the Member Cities.

ARTICLE XIV

MISCELLANEOUS

Section 1. Geographic Limitation.

The Authority may conduct activities outside of the boundaries of the City of Renton, Washington, including but not limited to acquiring, equipping, constructing, improving and maintaining the SCORE Facility located in the City of Des Moines, Washington, upon

determination by the Renton City Council that each such activity will further the purposes of the Authority, subject, however, to the applicable limitations set forth in RCW 35.21.740.

Section 2. Safeguarding of Funds.

Authority funds shall be deposited in a qualified public depository as determined by the Washington Public Deposit Protection Commission.

Section 3. Public Records.

The Authority shall maintain all of its records in a manner consistent with the Preservation and Destruction of Public Records Act, chapter 40.14 RCW. The public shall have access to records and information of the Authority to the extent as may be required by applicable laws.

Section 4. Reports and Information; Audits.

Within three (3) months after the end of the Authority's fiscal year, the Authority shall file an annual report with the Finance Director and Council of each Member City containing an audited statement of assets and liabilities, income and expenditures and changes in the Authority's financial position during the previous year; a summary of significant accomplishments; a list of depositories used; a projected operating budget for the current fiscal year; a summary of projects and activities to be undertaken during the current year; a list of a list of officers of the Board; and a list of individuals, if any, that are bonded pursuant.

The Authority shall, at any time during normal business hours and as often as each City Finance Director or the State Auditor deem necessary, make available to each City Finance Director and the State Auditor for examination all of the Authority's financial records, and shall permit the City Finance Director and the State Auditor to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all the aforesaid matters.

Section 5. Dissolution.

Dissolution of the Authority shall be in the form and manner required by this Charter, Washington State law, the Ordinance, and the Bylaws. Dissolution proceedings may be initiated by the Council of any of the Member Cities or, if the Board makes an affirmative finding that dissolution is necessary or appropriate, the Board may adopt a resolution requesting Councils of the Member Cities to adopt an ordinance dissolving the Authority. In either case, if five (5) of the Councils of the Member Cities, each by ordinance, make an affirmative finding that dissolution is warranted for any reason, then the existence of the Authority shall be terminated by ordinance of the Renton City Council.

Upon dissolution of the Authority and the winding up of its affairs, the Board shall file a dissolution statement as provided in the Ordinance. Title to all remaining property or assets of the Authority shall vest in SCORE or if there is no SCORE in existence at the time, then all property and assets shall be distributed to the Member Cities in an allocable amount calculated as provided in the Interlocal Agreement.

Notwithstanding the foregoing, the Authority shall not be dissolved until all Bonds issued by the Authority are no longer outstanding.

Section 6. Nondiscrimination.

Membership to the Board shall not be directly or indirectly based upon or limited by age, race, color, religion, sex, national origin, sexual orientation, or the presence of any physical handicap. Furthermore, the Authority shall not discriminate in any matter related to employment because of age, race, color, religion, sex, national original, sexual orientation, or the presence of any physical handicap. The Authority shall, in all solicitation or advertisements for employees placed by or on behalf of the Authority, if any, state that all qualified applicants will receive consideration for employment without regard to age, race, color, religion, sex, national origin, sexual orientation, or the presence of any physical handicap.

Section 7. Nonexclusive Charter.

This Charter is nonexclusive and does not preclude the granting by Member Cities of other charters to establish additional public corporations pursuant to City ordinance.

ARTICLE XV

APPROVAL OF CHARTER

ORIGINAL CHARTER APPROVED by Ordinance _____ adopted by the City Council of the City of Renton, Washington on _____, 20__; Ordinance _____ adopted by the City Council of the City of Federal Way, Washington on _____, 20__; Ordinance _____ adopted by the City Council of the City of Auburn, Washington on _____, 20__; Ordinance _____ adopted by the City Council of the City of Des Moines, Washington on _____, 20__; Ordinance _____ adopted by the City Council of the City of Tukwila, Washington on _____, 20__; Ordinance _____ adopted by the City Council of the City of Burien, Washington on _____, 20__; and Ordinance _____ adopted by the City Council of the City of SeaTac, Washington on _____, 20__.

This Charter is APPROVED this ____ day of _____, 20__.

Mayor, City of Renton

[SEAL]

ATTEST:

City Clerk

EXHIBIT D

**Form of Bylaws of the
South Correctional Entity Facility Public Development Authority
(attached)**

EXHIBIT D

BYLAWS OF SOUTH CORRECTIONAL ENTITY FACILITY PUBLIC DEVELOPMENT AUTHORITY

ARTICLE I

MEMBERSHIP

Section 1.1 Board Tenure. For the purpose of determining members of the South Correctional Entity Facility Public Development Authority (the "Authority") Board of Directors (the "Board") the procedures set forth in the Authority Charter (the "Charter") and the SCORE Interlocal Agreement (the "Interlocal Agreement") by and among the Cities of Renton, Auburn, Federal Way, Des Moines, Tukwila, Burien, and SeaTac, Washington (the "Member Cities"), shall govern.

ARTICLE II

OFFICERS AND COMMITTEES

Section 2.1 Officers Designated. The Presiding Officer of the Administrative Board selected in the manner provided in Section 5(e) of the Interlocal Agreement shall be the President of the Board. Such other officers and assistant officers as may be deemed necessary may be elected or appointed by the Board. No person may simultaneously hold more than one office. In addition to the powers and duties specified below, the officers shall have such powers and perform such duties as the Board may prescribe.

Section 2.2 Qualification and Term of Office. The additional officers shall be members of the Board or any other person designated by the Board who is at the time an official or employee of at least one of the Member Cities or the SCORE Facility. The additional officers shall be elected or appointed by the Board and shall hold office for terms established as a part of the original appointment or for terms established in accordance with the Interlocal Agreement.

Section 2.3 Removal From Office. Upon reasonable prior notice to all Board Members of the alleged reasons for dismissal, the Board by an affirmative vote of the majority of the Board Members may remove any officer of the Board from his or her office whenever in its judgment the best interests of the Authority will be served thereby.

Section 2.4 Vacancies. The Board shall fill any office which becomes vacant with a successor who shall hold office for the unexpired term and until his or her successor shall have been duly appointed and qualified.

Section 2.5 Reimbursement. The Board may reimburse Board Members, employees and others performing services for the Authority reasonable expenses actually incurred in performing their duties.

Section 2.6 Establishment of Committees. The Board may, by resolution, designate one or more other committees, including an Executive Committee, each consisting of one or more members, to advise the Board or, on matters other than those described in the Charter to act for and on behalf of the Board. The designation of any such committee and the delegation thereto of authority shall not operate to relieve any Board Member of any responsibility imposed by law. The Executive Committee, if any, shall have and exercise such powers of the Board as the Board shall from time to time provide by resolution.

Section 2.7 Code of Ethics.

(a) Except as otherwise provided in this section, no Board Member or employee of the Authority may:

(1) Participate in a decision of the Authority in which that person or a member of that person's immediate family has a financial interest, unless the financial interest is a remote financial interest and participation is approved under subsection (b) of this section;

(2) Use his or her position to secure special privileges or exemptions for himself, herself, immediate family members, or others;

(3) Directly or indirectly, give or receive or agree to receive any compensation, gift, reward, or gratuity from a source except the Authority for a matter connected with or related to such individual's services in his or her position unless otherwise provided for by law;

(4) Accept employment or engage in business or professional activity that such individual might reasonably expect would require or induce him or her by reason of his or her position with the Authority to disclose confidential information acquired by reason of his or her position; or

(5) Disclose confidential information gained by reason of such individual's position with the Authority, or otherwise use such information for his or her personal gain or benefit.

(b) A Board Member or employee of the Authority may participate in a decision described in (a)(1) above if that person or a member of that person's immediate family has only a remote financial interest, the fact and extent of such financial interest is disclosed to the Board in

a public meeting, and is noted in the minutes of the Board before any participation by the Board Member in the decision, and thereafter in a public meeting the Board by vote authorizes or approves the participation. If the person whose participation is under consideration is a Board Member, that person must recuse him or herself and may not participate in a decision under this subsection. Any Board Member with an ownership interest in property located within the Authority area shall recuse him or herself from participating in a decision if such property is directly benefiting from such action. For purposes of this subsection, "remote financial interest" means:

(1) That of a nonsalaried officer of a nonprofit corporation;

(2) That of an employee or agent of a contracting party where the compensation of the employee or agent consists entirely of fixed wages or salary and the contract is awarded by bid or by other competitive process;

(3) That of a landlord or tenant of a contracting party, except in cases where the property subject to the lease or sublease is owned or managed by the public corporation;

(4) That of a holder of less than one percent of the shares of the corporation or cooperative that is the contracting party; or

(5) That of an owner of a savings and loan or bank savings or share account or credit union deposit account if the interest represented by the account is less than two percent of the total deposits held by the institution.

(c) A Board Member or employee of the Authority is not considered to be financially interested in a decision when the decision could not affect that person in a manner different from its effect on the public at large.

(d) All Board Members shall disclose any information concerning actions or activities of the candidate or his/her immediate family that present a potential conflict of interest as a Board Member.

(e) For purposes of this section, "participate in a decision" includes all discussions, deliberations, preliminary negotiations, and votes.

(f) For purposes of this section, "immediate family" means:

(1) A spouse or domestic partner;

(2) Any dependent parent, parent-in-law, child, son-in-law, or daughter-in-law; and

- (3) Any parent, parent-in-law, child, son-in-law, daughter-in-law, sibling, uncle, aunt, cousin, niece or nephew residing in the household of the Board Member or employee.

(g) The Board may adopt additional conflict of interest and ethical rules it considers appropriate.

ARTICLE III

ADMINISTRATIVE PROVISIONS

Section 3.1 Books and Records. SCORE, on behalf of the Authority, shall keep current and complete books and records of account and shall keep minutes of the proceedings of its Board and its committees having any of the authority of the Board. The proceeds of any borrowing by the Authority shall be held, invested and disbursed by SCORE, subject to the terms and limitations established pursuant to the Interlocal Agreement. SCORE shall provide a regular accounting of the financial affairs of the Authority to the Board at each regular Board meeting. The obligations of the Authority shall be administered by SCORE, and SCORE is hereby designated and delegated with full authority to administer such obligations, all in a manner consistent with the Interlocal Agreement.

Section 3.2 Indemnification. The Authority elects to defend and indemnify its present and former Board Members and employees and their successors, spouses, and marital communities to the full extent authorized by law and the Charter. This right of indemnification shall inure in perpetuity to each Board Member and employee, and his or her spouse and marital community, commencing as soon as he or she has the full powers and responsibilities of his or her position, and in the event of his or her death shall extend to his or her heirs, legal representatives, and estate. Each person who shall act as a Board Member or employee of the Authority shall be deemed to do so in reliance upon such indemnification, and such rights shall not be exclusive of any other right which he or she may have.

Section 3.3 Principal Office. The principal office of the Authority shall be 1055 South Grady Way, Renton, Washington 98057.

Section 3.4 Fiscal Year. The Fiscal Year of the Authority shall begin January 1 and end December 31 of each year, except the first fiscal year which shall run from the date the Charter was issued to December 31, 2009.

ARTICLE IV

APPROVAL OF BYLAWS

APPROVED by Ordinance _____ adopted by the City Council of the City of Renton, Washington on _____, 20__; Ordinance _____ adopted by the City Council of the City of Federal Way on _____, 20__; Ordinance _____ adopted by the City Council of the City

of Auburn on _____, 20__; Ordinance _____ adopted by the City Council of the City of
Des Moines on _____, 20__; Ordinance _____ adopted by the City Council of the City of
Tukwila on _____, 20__; Ordinance _____ adopted by the City Council of the City of
Burien on _____, 20__; and Ordinance _____ adopted by the City Council of the
City of SeaTac on _____, 20__.